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September 13, 2019

By ECF

The Honorable Paul G. Gardephe
United States District Judge
Southern District of New York
40 Centre Street, Room 2204
New York, New York 10007

Re: Securities and Exchange Commission v. Montroll
18 Civ. 1582 (PGG)

Dear Judge Gardephe:

This firm, together with McKool Smith, represents Defendants Jon E. Montroll and Bitfunder.

We respectfully submit this letter pursuant to the Court's April 18, 2018, Order directing Defendants to submit a status letter every thirty days.

The parties have agreed on proposed settlement terms. The Commission's staff has been awaiting conclusion of the criminal proceeding against Mr. Montroll before finalizing its recommendation to the Commission. In the last status report to the Court, the parties advised this Court that the Judge in the criminal case was going to hold a hearing on September 10, 2019 to make a restitution determination, which would finalize the criminal case.

At the hearing, the Judge requested proposed restitution orders from the parties in the criminal case, and did not make a determination at that time. The parties now believe the determination will be made some time in October. Accordingly, the criminal case is still ongoing and the parties propose submitting the next status report on or around October 14.

If the parties do not believe, at that time, that the case will be resolved by agreement, then they will so indicate and the Court will be able to schedule the pre-trial conference it previously adjourned *sine die*, and associated deadlines.

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Respectfully submitted,

/s/

Jason Rodgers

cc: All counsel (by ECF)

SO ORDERED:

The Honorable Paul G. Gardephe
United States District Judge

Dated: September ____ , 2019